

## **IC 20-45-3**

### **Chapter 3. Tuition Support Levy**

#### **IC 20-45-3-1**

##### **Power; tuition support levy**

Sec. 1. A school corporation may impose a tuition support levy for the school corporation's general fund.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-3-2**

##### **Limitation; maximum permissible tuition support levy**

Sec. 2. Except as otherwise provided in this chapter, a school corporation may not impose a tuition support levy in a calendar year that exceeds the maximum permissible tuition support levy determined for the school corporation for a calendar year under section 11 of this chapter.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-3-3**

##### **Components; maximum permissible tuition support levy**

Sec. 3. The following amounts must be determined under this chapter to calculate a school corporation's maximum permissible tuition support levy for a calendar year:

- (1) The school corporation's foundation amount revenue for the calendar year under section 4 of this chapter.
- (2) The school corporation's tax rate floor for the calendar year under section 5 of this chapter.
- (3) The school corporation's target property tax rate for the calendar year under section 6 of this chapter.
- (4) The school corporation's adjusted target property tax rate for a calendar year under section 7 of this chapter.
- (5) The school corporation's equalization tax rate limit for a calendar year under section 8 of this chapter.
- (6) The school corporation's equalization tax rate for a calendar year under section 9 of this chapter.
- (7) The school corporation's equalized levy for a calendar year under section 10 of this chapter.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-3-4**

##### **Calculation; foundation amount revenue**

Sec. 4. A school corporation's foundation amount revenue for a calendar year is the product of:

- (1) the school corporation's foundation amount for the calendar year; multiplied by
- (2) the school corporation's adjusted ADM for the calendar year.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-3-5**

### **School corporation tax rate floor**

Sec. 5. (a) A school corporation's tax rate floor is the tax rate determined under this section.

(b) This subsection applies only if the school corporation's guaranteed minimum revenue for the calendar year is not equal to the school corporation's foundation amount revenue for a calendar year. The school corporation's tax rate floor for the calendar year is the result under STEP SIX of the following formula:

STEP ONE: Divide the school corporation's total assessed value by the school corporation's current ADM.

STEP TWO: Divide the STEP ONE result by ten thousand (10,000).

STEP THREE: Determine the greater of the following:

(A) The STEP TWO result.

(B) Thirty-six dollars and thirty cents (\$36.30).

STEP FOUR: Determine the result under clause (B):

(A) Subtract the school corporation's foundation amount revenue for the calendar year from the school corporation's guaranteed minimum revenue for the calendar year.

(B) Divide the clause (A) result by the school corporation's current ADM.

STEP FIVE: Divide the STEP FOUR result by the STEP THREE result.

STEP SIX: Divide the STEP FIVE result by one hundred (100).

(c) This subsection applies only if the school corporation's guaranteed minimum revenue for the calendar year is equal to the school corporation's foundation amount revenue for a calendar year and the STEP ONE result is greater than zero (0). The school corporation's tax rate floor for the calendar year is the result under STEP SEVEN of the following formula:

STEP ONE: Add the following:

(A) An amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

(B) The part of the unadjusted tuition support levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.

STEP TWO: Divide the STEP ONE result by the school corporation's current ADM.

STEP THREE: Divide the school corporation's total assessed value by the school corporation's current ADM.

STEP FOUR: Divide the STEP THREE result by ten thousand (10,000).

STEP FIVE: Determine the greater of the following:

(A) The STEP FOUR result.

(B) Thirty-six dollars and thirty cents (\$36.30).

STEP SIX: Divide the STEP TWO result by the STEP FIVE amount.

STEP SEVEN: Divide the STEP SIX result by one hundred (100).  
*As added by P.L.2-2006, SEC.168. Amended by P.L.162-2006, SEC.45.*

#### **IC 20-45-3-6**

##### **School corporation target property tax rate**

Sec. 6. (a) A school corporation's target property tax rate for a calendar year is the sum of:

- (1) in:
  - (A) 2006, seventy-two cents (\$0.72); and
  - (B) 2007, the greater of:
    - (i) seventy-two and ninety-two hundredths cents (\$0.7292); or
    - (ii) the rate determined under subsection (b); plus
- (2) if applicable, the school corporation's minimum equalization tax rate.

(b) If using the best information available to the department of local government finance, the department of local government finance determines that the result of:

- (1) the lesser of:
  - (A) two billion thirty-five million nine hundred thousand dollars (\$2,035,900,000); or
  - (B) the result of:
    - (i) the sum of the tuition support levies certified by the department of local government finance for all school corporations for 2006; multiplied by
    - (ii) one and forty-one thousandths (1.041); minus
- (2) the sum of all maximum permissible tuition support levies for all school corporations in 2007, as determined by using the tax rate specified in subsection (a)(1)(B)(i);

would exceed one million dollars (\$1,000,000) in 2007, the department of local government finance, shall, before February 16, 2007, adjust the tax rate used in subsection (a)(1)(B) for 2007 so that the difference determined by subtracting the sum of all maximum permissible tuition support levies (as defined in IC 20-45-1-15) for all school corporations determined by using the adjusted tax rate from the amount determined under subdivision (1) does not exceed one million dollars (\$1,000,000). To carry out this subsection the department of local government finance may increase a school corporation's tax rate and levy to a rate and amount that exceeds the rate originally advertised or fixed by the school corporation. Before adjusting a tax rate under this subsection, the department of local government finance shall review the recommendations of the department of education and the budget agency.

*As added by P.L.2-2006, SEC.168. Amended by P.L.162-2006, SEC.46.*

#### **IC 20-45-3-7**

##### **Calculation; adjusted target property tax rate**

Sec. 7. A school corporation's adjusted target property tax rate for a calendar year is equal to:

- (1) the school corporation's target property tax rate; multiplied by
- (2) the school corporation's adjustment factor.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-3-8**

##### **Calculation; equalization tax rate limit**

Sec. 8. A school corporation's equalization tax rate limit for a calendar year is the result of:

- (1) the school corporation's adjusted target property tax rate; minus
- (2) the school corporation's previous year property tax rate.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-3-9**

##### **Calculation; equalization tax rate**

Sec. 9. (a) A school corporation's equalization tax rate for a calendar year is the tax rate determined under this section.

(b) If the school corporation's adjusted target property tax rate exceeds the school corporation's previous year property tax rate, the school corporation's equalization tax rate for a calendar year is the school corporation's previous year property tax rate after increasing the rate by the lesser of:

- (1) the school corporation's equalization tax rate limit for the calendar year; or
- (2) three cents (\$0.03).

(c) If the school corporation's adjusted target property tax rate is less than the school corporation's previous year property tax rate, the school corporation's equalization tax rate for a calendar year is the school corporation's previous year property tax rate after reducing the rate by the lesser of:

- (1) the absolute value of the school corporation's equalization tax rate limit; or
- (2) eight cents (\$0.08).

(d) If the school corporation's adjusted target property tax rate equals the school corporation's previous year property tax rate, the school corporation's equalization tax rate for a calendar year is the school corporation's adjusted target property tax rate.

*As added by P.L.2-2006, SEC.168.*

#### **IC 20-45-3-10**

##### **Calculation; equalized levy**

Sec. 10. A school corporation's equalized levy for a calendar year is the result determined under STEP TWO of the following formula:

STEP ONE: Divide the school corporation's total assessed value by one hundred dollars (\$100).

STEP TWO: Multiply the school corporation's equalization tax rate by the STEP ONE result.

*As added by P.L.2-2006, SEC.168.*

**IC 20-45-3-11**

**Calculation; tuition support levy**

Sec. 11. A school corporation's tuition support levy for a calendar year is the sum of the following:

- (1) The school corporation's equalized levy for the calendar year.
- (2) An amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.
- (3) The part of the maximum permissible tuition support levy for the year that equals the original amount of the levy by the school corporation to cover the costs of opening a new school facility or reopening an existing facility during the preceding year.
- (4) The amount determined under STEP FOUR of the following formula:

STEP ONE: Determine the target revenue per ADM for each charter school that included at least one (1) student who has legal settlement in the school corporation in the charter school's current ADM.

STEP TWO: For each charter school, multiply the STEP ONE amount by the number of students who have legal settlement in the school corporation and who are included in the charter school's current ADM.

STEP THREE: Determine the sum of the STEP TWO amounts.

STEP FOUR: Multiply the STEP THREE amount by thirty-five hundredths (0.35).

*As added by P.L.2-2006, SEC.168.*